

Minutes

Special Bar Harbor Town Council Meeting

Thursday, March 25, 2010

- I. **CALL TO ORDER – 5:02 P.M.** – In attendance were Councilors: Sandy McFarland, Ruth Eveland, Paul Paradis, Jane Disney, Robert Jordan, Jr.; and Town Manager Dana Reed. Councilors Greg Veilleux and Peter St. Germain were absent. Also in attendance was Greg Grant, Chair of Bar Harbor Housing Authority.
- II. **ADOPTION OF AGENDA** – Mr. Paradis, with second by Ms. Eveland, moved to adopt the agenda as presented. Motion passed 5-0.
- III. **AFFORDABLE HOUSING: Northeast Creek:–Discussion of Bar Harbor Housing Authority's recent proposal.** – Following a review of the Housing Authority's request and a timeline of events that must take place in order to get their request on the June 8th ballot; Mr. Paradis, with second by Ms. Eveland, moved to 1. direct the Town Manager to draft a grant agreement with the Bar Harbor Housing Authority based on the following agreement:
The Bar Harbor Housing Authority will:
 - a. Sell a minimum of twenty (20) homes to be sold on average to a buyer (or buyers) whose earnings are such that the average earning of all workforce buyers will never exceed 120% of the AMI (Adjusted Median Income: State Standard as described in the United States Housing Act of 1937) annually and at the time of application, one who is working, lives or was educated on Mount Desert Island.
 - b. In no event shall the Bar Harbor Housing Authority profit from the sale of market rate units. The Bar Harbor Housing Authority will return to the Town any excess funds derived from the sale of market rate homes at such time as all thirty-one (31) units have been sold by the Housing Authority.
 - c. Assure that a minimum of six (6) homes are to be sold with restrictive covenants maintaining affordable housing in perpetuity, as required by the Planning Board approval on February 7, 2007.
 - d. Return to the Bar Harbor Planning Board to designate the six affordable housing units and offer for recording a corrected set of covenants that contains the revisions that were omitted from the copy previously recorded by the Bar Harbor Housing Authority.

- e. Keep all financial records in accordance with Generally Accepted Accounting Principles and sufficient to document a paper trail on all funds granted by the Town.
- f. Authorize its auditor to provide any information requested by the Town of Bar Harbor Finance Director.
- g. Maintain title for a minimum of ninety-nine (99) years, to all improvements financed with Town funds, unless transfer is approved by the Town Council.
- h. Repay any funds granted by the Town as a contribution in aid of construction if the Housing Authority violates any of the above provisions.
- i. Furnish a letter of credit to the Town in the amount of \$1,000,000 to demonstrate ability to repay the funds as outlined in item g. above or in the case of foreclosure – said letter may be discontinued no earlier than July 1, 2030.

The Town will:

- a. With Town Meeting approval, will transfer the sum of \$1,000,000 to the Bar Harbor Housing Authority as a contribution in aid of construction for Northeast Creek on or by August 13, 2010.

2. Direct the Town Manager to submit this grant agreement, in person, to BHHA Executive Director Terrance J. Kelley no later than 1:00 p.m. on March 30, 2010.

3. The grant agreement must be signed by a majority of the BHHA Commissioners, as well as Executive Director Terrance J. Kelley, and returned to the Town Clerk no later than 3:00 p.m. on April 1, 2010.

4. Direct the Town Clerk to prepare a draft warrant article to be considered at the April 6, 2010 Town Council meeting to place this article on the June Town Meeting Election Ballot.

Motion passed 5-0.

- IV. ADJOURNMENT** – Mr. Paradis, with second by Ms. Eveland, moved to adjourn at 5:45 p.m. Motion passed 5-0.

Paul Paradis, Secretary